

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO LOCAL COMPETITION,)	
UNIVERSAL SERVICE, AND THE)	ADMINISTRATIVE
NON-TRAFFIC SENSITIVE ACCESS RATE)	CASE NO. 355

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed May 1, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of its response to Item 2 of the Commission's oral data request dated March 29, 1996 on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to the Commission as follows:

On March 29, 1996, the Commission Staff requested BellSouth to furnish certain information in response to its oral data requests. Item 2 requested BellSouth to provide information regarding the preparation of its avoided cost study, including any sensitivity analyses and the underlying backup materials supporting the cost study. BellSouth has petitioned to protect as confidential the information it furnished in response to this data request.

The information sought to be protected is not known outside of BellSouth and is not disseminated within BellSouth except to those employees who have a legitimate business need to know and act upon the information. BellSouth seeks to preserve and protect the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

A major issue being explored in this proceeding is the potential impact of local competition in the telecommunications industry. Several of BellSouth's current competitors, including AT&T and MCI, have publicly announced their intention to enter the local exchange market and compete with BellSouth. Other present and potential competitors for local exchange service are cable television companies, customer-owned coin-operated telephone providers and others. The information sought to be protected would assist such competitors in determining the expense and cost data associated with BellSouth's business units, thus indicating the company's business plans for serving customers, including the marketing costs by specific function for each such business unit.

Competitors could use this information in developing competing business strategies, networks and operations, in designing their service offerings, and in marketing plans for those services. Therefore, disclosure of the information is likely to cause BellSouth competitive injury, and the information should be protected as confidential.

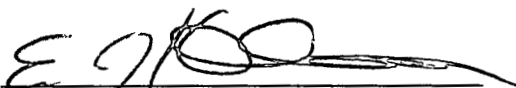
This Commission being otherwise sufficiently advised,

IT IS ORDERED that the responses of BellSouth to Item 2 of the oral data request of March 29, 1996, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be opened for public inspection.

Done at Frankfort, Kentucky, this 20th day of May, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director